

Ms. Trish Kelly, Reimbursement Manager  
Integrated Health Services  
10065 Red Run Boulevard  
Owings Mills, Maryland 21117

Re: AC# 3-GAI-J4 - Golden Age - Inman, Inc.

Dear Ms. Kelly:

The accompanying report has been prepared by our office based on your Medicaid Financial and Statistical Report submitted to the Department of Health and Human Services for the cost report period April 1, 1994 through September 30, 1994. That report was used to set the rate covering the contract periods beginning April 1, 1994.

We are recommending that the Department of Health and Human Services certify an accounts receivable to recover amounts due as a result of the rate changes shown on Exhibit A. You will be notified of repayment terms by that agency.

If you take exception to this report in any manner, you have the right to appeal in accordance with the Code of Laws of South Carolina, 1976 as amended, Title 44, and Department of Health and Human Services Regulation R.126-150, and you must respond in writing within thirty (30) calendar days of the date of this letter. This written response must address the specific items in the report being appealed, and must be directed to the Appeals and Hearings, Department of Health and Human Services, Post Office Box 8206, Columbia, South Carolina 29202-8206. Any correspondence should include the control number appearing on Exhibit A of this report.

Thomas L. Wagner, Jr., CPA  
State Auditor

EAVjr/trb

cc: Ms. Brenda L. Hyleman  
Mr. Jeff Saxon  
Mr. Mac Carroll

**GOLDEN AGE - INMAN, INC.**

**INMAN, SOUTH CAROLINA**

**CONTRACT PERIODS  
BEGINNING APRIL 1, 1994  
AC# 3-GAI-J4**

**REPORT ON CONTRACT**

**FOR**

**PURCHASE OF NURSING CARE SERVICES**

**WITH**

**STATE OF SOUTH CAROLINA**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

May 22, 1998

Department of Health and Human Services  
State of South Carolina  
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Department of Health and Human Services, solely to compute the rate change and related adjusted reimbursement rate to be used by the Department in determining the reimbursement settlement with Golden Age - Inman, Inc., for the contract periods beginning April 1, 1994 and for the six month cost report period ended September 30, 1994, as set forth in the accompanying schedules. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Department of Health and Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We tested selected costs or areas based on our analytical procedures applied to the reimbursable Medicaid program costs as shown on the Financial and Statistical Report for Nursing Homes, as filed by Golden Age - Inman, Inc., to determine if these costs were allowable as defined by the State Plan for Medicaid reimbursement purposes and supported by accounting and statistical records maintained by the provider. Our findings as a result of these procedures are presented in the Adjustment Report, Summaries of Costs and Total Patient Days, and Cost of Capital Reimbursement Analyses sections of this report.
2. We recomputed the Computation of Reimbursement Rate using the adjusted costs and calculated the rate change in accordance with the provisions of the contracts between the Department of Health and Human Services and Golden Age - Inman, Inc. dated as of April 1, 1994 and October 1, 1994 as amended. Our findings as a result of these procedures are presented in the Computation of Rate Change and Computations of Adjusted Reimbursement Rate sections of this report.

Department of Health and Human Services  
State of South Carolina  
May 22, 1998

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the South Carolina Department of Health and Human Services and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Thomas L. Wagner, Jr., CPA  
State Auditor

**GOLDEN AGE - INMAN, INC.**  
Computation of Rate Change  
For the Contract Periods  
Beginning April 1, 1994  
AC# 3-GAI-J4

	<u>04/01/94- 09/30/94</u>	<u>10/01/94- 12/31/94</u>	<u>01/01/95- 03/31/95</u>	<u>04/01/95- 09/30/95</u>	<u>10/01/95- 09/30/96</u>
Interim reimbursement rate (1)	\$73.06	\$80.53	\$75.90	\$79.00	\$82.06
Adjusted reimbursement rate	<u>72.37</u>	<u>79.81</u>	<u>75.18</u>	<u>78.10</u>	<u>81.15</u>
Decrease in Reimbursement Rate	\$ <u>.69</u>	\$ <u>.72</u>	\$ <u>.72</u>	\$ <u>.90</u>	\$ <u>.91</u>

(1) Interim reimbursement rate from the South Carolina Medicaid Management Information System (MMIS) Provider Rate Listing dated December 19, 1997

**GOLDEN AGE - INMAN, INC.**  
Computation of Adjusted Reimbursement Rate  
For the Contract Period April 1, 1994 Through September 30, 1994  
AC# 3-GAI-J4

	<u>Profit Incentive</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services	\$ -	\$35.03	\$30.27	\$30.27
Dietary	<u>-</u>	<u>10.05</u>	<u>9.15</u>	<u>9.15</u>
Subtotal	\$ <u>-</u>	45.08	39.42	39.42
Laundry/Housekeeping/Maint.	\$ -	10.15	6.68	6.68
Administration & Med. Rec.	<u>-</u>	<u>9.63</u>	<u>6.69</u>	<u>6.69</u>
Subtotal	\$ <u>-</u>	64.86	\$ <u>52.79</u>	52.79
<u>Costs Not Subject to Standards:</u>				
Utilities		2.22		2.22
Special Services		6.77		6.77
Medical Supplies & Oxy.		3.33		3.33
Taxes and Insurance		1.31		1.31
Legal Fees		<u>.16</u>		<u>.16</u>
<b>TOTAL</b>		<u>\$78.65</u>		66.58
Inflation Factor (N/A)				-
Cost of Capital				5.72
Cost of Capital Limitation				(.47)
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive - For Gen. Serv. & Dietary				-
Effect of \$1.50 Cap on Cost/Profit Incentives and Cost Sharing				-
OTC/Nonlegend Drug Reimbursement				.24
Laundry Add-On				<u>.30</u>
 ADJUSTED REIMBURSEMENT RATE				 <u>\$72.37</u>



**GOLDEN AGE - INMAN, INC.**

Computation of Adjusted Reimbursement Rate  
For the Contract Period October 1, 1994 Through December 31, 1994  
AC# 3-GAI-J4

	<u>Profit Incentive</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services	\$ -	\$35.03	\$33.67	\$33.67
Dietary	<u>-</u>	<u>10.05</u>	<u>9.23</u>	<u>9.23</u>
Subtotal	\$ <u>-</u>	45.08	42.90	42.90
Laundry/Housekeeping/Maint.	\$ -	10.15	6.75	6.75
Administration & Med. Rec.	<u>-</u>	<u>9.63</u>	<u>7.22</u>	<u>7.22</u>
Subtotal	\$ <u>-</u>	64.86	\$ <u>56.87</u>	56.87
<u>Costs Not Subject to Standards:</u>				
Utilities		2.22		2.22
Special Services		6.77		6.77
Medical Supplies & Oxy.		3.33		3.33
Taxes and Insurance		1.31		1.31
Legal Fees		<u>.16</u>		<u>.16</u>
<b>TOTAL</b>		<u>\$78.65</u>		70.66
Inflation Factor (4.50%)				3.18
Cost of Capital				6.20
Cost of Capital Limitation				(.78)
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive - For Gen. Serv. & Dietary				-
Effect of \$1.50 Cap on Cost/Profit Incentives and Cost Sharing				-
OTC/Nonlegend Drug Reimbursement				.25
Laundry Add-On				<u>.30</u>
 ADJUSTED REIMBURSEMENT RATE				 <u>\$79.81</u>

**GOLDEN AGE - INMAN, INC.**  
Computation of Adjusted Reimbursement Rate  
For the Contract Period January 1, 1995 Through March 31, 1995  
AC# 3-GAI-J4

	<u>Profit Incentive</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services	\$ -	\$35.03	\$33.67	\$33.67
Dietary	<u>-</u>	<u>10.05</u>	<u>9.23</u>	<u>9.23</u>
Subtotal	\$ <u>-</u>	45.08	42.90	42.90
Laundry/Housekeeping/Maint.	\$ -	10.15	6.75	6.75
Administration & Med. Rec.	<u>-</u>	<u>9.63</u>	<u>7.22</u>	<u>7.22</u>
Subtotal	\$ <u>-</u>	64.86	\$ <u>56.87</u>	56.87
<u>Costs Not Subject to Standards:</u>				
Utilities		2.22		2.22
Special Services		2.45		2.45
Medical Supplies & Oxy.		3.22		3.22
Taxes and Insurance		1.31		1.31
Legal Fees		<u>.16</u>		<u>.16</u>
<b>TOTAL</b>		<u>\$74.22</u>		66.23
Inflation Factor (4.50%)				2.98
Cost of Capital				6.20
Cost of Capital Limitation				(.78)
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive - For Gen. Serv. & Dietary				-
Effect of \$1.50 Cap on Cost/Profit Incentives and Cost Sharing				-
OTC/Nonlegend Drug Reimbursement				.25
Laundry Add-On				<u>.30</u>
 ADJUSTED REIMBURSEMENT RATE				 <u>\$75.18</u>

**GOLDEN AGE - INMAN, INC.**  
Computation of Adjusted Reimbursement Rate  
For the Contract Period April 1, 1995 Through May 31, 1995  
AC# 3-GAI-J4

	<u>Profit Incentive</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services	\$2.98	\$35.03	\$42.58	\$35.03
Dietary	<u>-</u>	<u>10.05</u>	<u>9.23</u>	<u>9.23</u>
Subtotal	<u>\$2.98</u>	45.08	51.81	44.26
Laundry/Housekeeping/Maint.	\$ -	10.15	6.75	6.75
Administration & Med. Rec.	<u>-</u>	<u>9.63</u>	<u>7.22</u>	<u>7.22</u>
Subtotal	<u>\$ -</u>	64.86	<u>\$65.78</u>	58.23
<u>Costs Not Subject to Standards:</u>				
Utilities		2.22		2.22
Special Services		2.45		2.45
Medical Supplies & Oxy.		3.22		3.22
Taxes and Insurance		1.31		1.31
Legal Fees		<u>.16</u>		<u>.16</u>
<b>TOTAL</b>		<u>\$74.22</u>		67.59
Inflation Factor (4.50%)				3.04
Cost of Capital				6.20
Cost of Capital Limitation				(.78)
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive - For Gen. Serv. & Dietary				2.98
Effect of \$1.50 Cap on Cost/Profit Incentives and Cost Sharing				(1.48)
OTC/Nonlegend Drug Reimbursement				.25
Laundry Add-On				<u>.30</u>
 ADJUSTED REIMBURSEMENT RATE				 <u>\$78.10</u>

**GOLDEN AGE - INMAN, INC.**  
Computation of Adjusted Reimbursement Rate  
For the Contract Period June 1, 1995 Through September 30, 1995  
AC# 3-GAI-J4

	<u>Profit Incentive</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services	\$2.98	\$35.03	\$42.58	\$35.03
Dietary	<u>-</u>	<u>10.05</u>	<u>9.23</u>	<u>9.23</u>
Subtotal	<u>\$2.98</u>	45.08	51.81	44.26
Laundry/Housekeeping/Maint.	\$ -	10.15	6.75	6.75
Administration & Med. Rec.	<u>-</u>	<u>9.63</u>	<u>7.22</u>	<u>7.22</u>
Subtotal	<u>\$ -</u>	64.86	<u>\$65.78</u>	58.23
<u>Costs Not Subject to Standards:</u>				
Utilities		2.22		2.22
Special Services		2.45		2.45
Medical Supplies & Oxy.		3.22		3.22
Taxes and Insurance		1.31		1.31
Legal Fees		<u>.16</u>		<u>.16</u>
<b>TOTAL</b>		<u>\$74.22</u>		67.59
Inflation Factor (4.50%)				3.04
Cost of Capital				6.20
Cost of Capital Limitation				(.78)
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive - For Gen. Serv. & Dietary				2.98
Effect of \$1.50 Cap on Cost/Profit Incentives and Cost Sharing				(1.48)
OTC/Nonlegend Drug Reimbursement				.25
Laundry Add-On				<u>.30</u>
 ADJUSTED REIMBURSEMENT RATE				 <u>\$78.10</u>

**GOLDEN AGE - INMAN, INC.**

Computation of Adjusted Reimbursement Rate  
For the Contract Periods October 1, 1995 Through September 30, 1996  
AC# 3-GAI-J4

	<u>Profit Incentive</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services	\$3.54	\$35.03	\$50.61	\$35.03
Dietary	<u>.14</u>	<u>10.05</u>	<u>10.19</u>	<u>10.05</u>
Subtotal	<u>\$3.68</u>	45.08	60.80	45.08
Laundry/Housekeeping/Maint.	\$ -	10.15	7.17	7.17
Administration & Med. Rec.	<u>-</u>	<u>9.63</u>	<u>7.58</u>	<u>7.58</u>
Subtotal	<u>\$ -</u>	64.86	<u>\$75.55</u>	59.83
<u>Costs Not Subject to Standards:</u>				
Utilities		2.22		2.22
Special Services		2.45		2.45
Medical Supplies & Oxy.		3.71		3.71
Taxes and Insurance		1.31		1.31
Legal Fees		<u>.16</u>		<u>.16</u>
<b>TOTAL</b>		<u>\$74.71</u>		69.68
Inflation Factor (6.30%)				4.39
Cost of Capital				6.23
Cost of Capital Limitation				(.65)
Profit Incentive (Max. 3.5% of Allowable Cost)				-
Cost Incentive - For Gen. Serv. & Dietary				3.68
Effect of \$1.50 Cap on Cost/Profit Incentives and Cost Sharing				<u>(2.18)</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$81.15</u>

**GOLDEN AGE - INMAN, INC.**  
Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Period April 1, 1994 through September 30, 1994  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	<u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
General Services	\$280,065	\$ -	\$ 1,360(4)	\$278,705
Dietary	79,977	-	-	79,977
Laundry	27,563	2,774(2)	-	30,337
Housekeeping	26,830	-	-	26,830
Maintenance	23,153	453(5)	-	23,606
Administration & Medical Records	71,815	515(3) 1,360(4) 2,888(5)	-	76,578
Utilities	17,657	29(5)	-	17,686
Special Services	53,893	-	-	53,893
Medical Supplies & Oxygen	29,295	-	2,774(2)	26,521
Taxes & Insurance	13,106	2,109(1) 40(5)	4,817(3)	10,438
Legal Fees	1,310	-	-	1,310

**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Period April 1, 1994 through September 30, 1994  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	<u>45,300</u>	<u>180(5)</u>	<u>-</u>	<u>45,480</u>
Subtotal	669,964	10,348	8,951	671,361
Ancillary	9,006	-	-	9,006
Non-Allowable	<u>(24,769)</u>	<u>-</u>	<u>3,590(5)</u>	<u>(28,359)</u>
Total Operating Expenses	<u>\$654,201</u>	<u>\$10,348</u>	<u>\$12,541</u>	<u>\$652,008</u>
TOTAL BEDS <u>44</u>		TOTAL PATIENT DAYS <u>7,956</u>		

**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Period October 1, 1994 through December 31, 1994  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	<u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
General Services	\$280,065	\$ -	\$ 1,360(4)	\$278,705
Dietary	79,977	-	-	79,977
Laundry	27,563	2,774(2)	-	30,337
Housekeeping	26,830	-	-	26,830
Maintenance	23,153	453(5)	-	23,606
Administration & Medical Records	71,816	515(3) 1,360(4) 2,888(5)	-	76,579
Utilities	17,657	29(5)	-	17,686
Special Services	53,893	-	-	53,893
Medical Supplies & Oxygen	29,295	-	2,774(2)	26,521
Taxes & Insurance	13,106	2,109(1) 40(5)	4,817(3)	10,438
Legal Fees	1,310	-	-	1,310



**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Period October 1, 1994 through December 31, 1994  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	<u>49,135</u>	<u>180(5)</u>	<u>-</u>	<u>49,315</u>
Subtotal	673,800	10,348	8,951	675,197
Ancillary	9,006	-	-	9,006
Non-Allowable	<u>(28,605)</u>	<u>-</u>	<u>3,590(5)</u>	<u>(32,195)</u>
Total Operating Expenses	<u>\$654,201</u>	<u>\$10,348</u>	<u>\$12,541</u>	<u>\$652,008</u>
TOTAL BEDS <u>44</u>		TOTAL PATIENT DAYS <u>7,956</u>		

**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Periods January 1, 1995 through May 31, 1995  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	<u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
General Services	\$280,065	\$ -	\$ 1,360(4)	\$278,705
Dietary	79,977	-	-	79,977
Laundry	27,563	2,774(2)	-	30,337
Housekeeping	26,830	-	-	26,830
Maintenance	23,153	453(5)	-	23,606
Administration & Medical Records	71,816	515(3) 1,360(4) 2,888(5)	-	76,579
Utilities	17,657	29(5)	-	17,686
Special Services	19,478	-	-	19,478
Medical Supplies & Oxygen	28,372	-	2,774(2)	25,598
Taxes & Insurance	13,106	2,109(1) 40(5)	4,817(3)	10,438
Legal Fees	1,310	-	-	1,310

**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Periods January 1, 1995 through May 31, 1995  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	<u>49,135</u>	<u>180(5)</u>	<u>-</u>	<u>49,315</u>
Subtotal	638,462	10,348	8,951	639,859
Ancillary	9,006	-	-	9,006
Non-Allowable	<u>6,733</u>	<u>-</u>	<u>3,590(5)</u>	<u>3,143</u>
Total Operating Expenses	<u>\$654,201</u>	<u>\$10,348</u>	<u>\$12,541</u>	<u>\$652,008</u>
TOTAL BEDS <u>44</u>		TOTAL PATIENT DAYS <u>7,956</u>		

**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Periods June 1, 1995 through September 30, 1995  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
General Services	\$280,065	\$ -	\$ 1,360(4)	\$278,705
Dietary	79,977	-	-	79,977
Laundry	27,563	2,774(2)	-	30,337
Housekeeping	26,830	-	-	26,830
Maintenance	23,606	-	-	23,606
Administration & Medical Records	74,704	515(3) 1,360(4)	-	76,579
Utilities	17,686	-	-	17,686
Special Services	19,478	-	-	19,478
Medical Supplies & Oxygen	28,372	-	2,774(2)	25,598
Taxes & Insurance	13,146	2,109(1)	4,817(3)	10,438
Legal Fees	1,310	-	-	1,310

**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Periods June 1, 1995 through September 30, 1995  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	<u>49,315</u>	<u>-</u>	<u>-</u>	<u>49,315</u>
Subtotal	642,052	6,758	8,951	639,859
Ancillary	9,006	-	-	9,006
Non-Allowable	<u>3,143</u>	<u>-</u>	<u>-</u>	<u>3,143</u>
Total Operating Expenses	<u>\$654,201</u>	<u>\$6,758</u>	<u>\$8,951</u>	<u>\$652,008</u>

TOTAL BEDS 44

TOTAL PATIENT DAYS 7,956

**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Periods October 1, 1995 through September 30, 1996  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
General Services	\$280,065	\$ -	\$ 1,360(4)	\$278,705
Dietary	79,977	-	-	79,977
Laundry	27,563	2,774(2)	-	30,337
Housekeeping	26,830	-	-	26,830
Maintenance	23,606	-	-	23,606
Administration & Medical Records	74,704	515(3) 1,360(4)	-	76,579
Utilities	17,686	-	-	17,686
Special Services	19,478	-	-	19,478
Medical Supplies & Oxygen	32,265	-	2,774(2)	29,491
Taxes & Insurance	13,146	2,109(1)	4,817(3)	10,438
Legal Fees	1,310	-	-	1,310

**GOLDEN AGE - INMAN, INC.**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 1994  
For the Contract Periods October 1, 1995 through September 30, 1996  
AC# 3-GAI-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Cost of Capital	<u>49,571</u>	<u>-</u>	<u>-</u>	<u>49,571</u>
Subtotal	646,201	6,758	8,951	644,008
Ancillary	5,113	-	-	5,113
Non-Allowable	<u>2,887</u>	<u>-</u>	<u>-</u>	<u>2,887</u>
Total Operating Expenses	<u>\$654,201</u>	<u>\$6,758</u>	<u>\$8,951</u>	<u>\$652,008</u>

TOTAL BEDS 44

TOTAL PATIENT DAYS 7,956

**GOLDEN AGE - INMAN, INC.**  
Adjustment Report  
Cost Report Period Ended September 30, 1994  
AC# 3-GAI-J4

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Taxes and Insurance Accrued Property Taxes	\$ 2,109	\$ 2,109
	To adjust property tax expense to allowable HIM-15-1, Section 2304		
2	Laundry Medical Supplies	2,774	2,774
	To reclassify expenses to the proper cost center State Plan, Attachment 4.19D		
3	Deferred Start-Up Cost Administration Taxes and Insurance Equity	4,635 515	4,817 333
	To properly record start-up cost HIM-15-1, Section 2304		
4	Medical Records Nursing	1,360	1,360
	To reclassify salary expense to the proper cost center HIM-15-1, Section 2304		



**GOLDEN AGE - INMAN, INC.**  
Adjustment Report  
Cost Report Period Ended September 30, 1994  
AC# 3-GAI-J4

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
5	Maintenance	453	
	Administration	2,888	
	Utilities	29	
	Taxes and Insurance	40	
	Cost of Capital	180	
	Nonallowable		3,590
	To record home office cost allocation adjustment State Plan, Attachment 4.19D (This adjustment applies only to the contract periods 4/1/94 - 5/31/95)		
		<hr/>	<hr/>
	TOTAL ADJUSTMENTS	<u>\$14,983</u>	<u>\$14,983</u>

Due to the nature of compliance reporting, adjustment descriptions and references contained in the preceding Adjustment Report are provided for general guidance only and are not intended to be all-inclusive.

**GOLDEN AGE - INMAN, INC.**  
Cost of Capital Reimbursement Analysis  
For the Cost Report Period Ended September 30, 1994  
For the Contract Period April 1, 1994 through September 30, 1994  
AC# 3-GAI-J4

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>1.8129</u>
Deemed Asset Value (Per Bed)	28,313
Number of Beds	<u>44</u>
Deemed Asset Value	1,245,772
Improvements Since 1981	54,875
Accumulated Depreciation at 09/30/94	<u>(214,533)</u>
Deemed Depreciated Value	1,086,114
Market Rate of Return	<u>.072</u>
Total Annual Return	<u>78,200</u>
Adjust For Cost Report Period 183/365	39,207
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Rent and Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	39,207
Depreciation Expense	6,657
Amortization Expense	-
Capital Related Income Offsets	(384)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	45,480
Total Patient Days (Minimum 98% Occupancy)	<u>7,956</u>
Cost of Capital Per Diem	\$ <u><u>5.72</u></u>

**GOLDEN AGE - INMAN, INC.**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended September 30, 1994

For the Contract Period April 1, 1994 through September 30, 1994

AC# 3-GAI-J4

6/30/89 Cost of Capital and Return on Equity	
Capital Per Diem Reimbursement	\$1.59
Adjustment for Maximum Increase	<u>3.66</u>
Maximum Cost of Capital Per Diem	<u>\$5.25</u>
Reimbursable Cost of Capital Per Diem	\$5.25
Cost of Capital Per Diem	<u>5.72</u>
Cost of Capital Per Diem Limitation	<u>\$(.47)</u>

**GOLDEN AGE - INMAN, INC.**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended September 30, 1994

For the Contract Periods October 1, 1994 through September 30, 1995

AC# 3-GAI-J4

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>1.8981</u>
Deemed Asset Value (Per Bed)	29,644
Number of Beds	<u>44</u>
Deemed Asset Value	1,304,336
Improvements Since 1981	54,875
Accumulated Depreciation at 09/30/94	<u>(214,533)</u>
Deemed Depreciated Value	1,144,678
Market Rate of Return	<u>.075</u>
Total Annual Return	<u>85,851</u>
Adjust For Cost Report Period 183/365	43,043
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Rent and Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	43,043
Depreciation Expense	6,657
Amortization Expense	-
Capital Related Income Offsets	(385)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	49,315
Total Patient Days (Minimum 98% Occupancy)	<u>7,956</u>
Cost of Capital Per Diem	\$ <u><u>6.20</u></u>

**GOLDEN AGE - INMAN, INC.**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended September 30, 1994

For the Contract Periods October 1, 1994 through September 30, 1995

AC# 3-GAI-J4

6/30/89 Cost of Capital and Return on Equity	
Capital Per Diem Reimbursement	\$1.59
Adjustment for Maximum Increase	<u>3.83</u>
Maximum Cost of Capital Per Diem	<u>\$5.42</u>
Reimbursable Cost of Capital Per Diem	\$5.42
Cost of Capital Per Diem	<u>6.20</u>
Cost of Capital Per Diem Limitation	<u>\$(.78)</u>

**GOLDEN AGE - INMAN, INC.**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended September 30, 1994

For the Contract Periods October 1, 1995 through September 30, 1996

AC# 3-GAI-J4

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>1.9778</u>
Deemed Asset Value (Per Bed)	30,889
Number of Beds	<u>44</u>
Deemed Asset Value	1,359,116
Improvements Since 1981	54,875
Accumulated Depreciation at 09/30/94	<u>(214,533)</u>
Deemed Depreciated Value	1,199,458
Market Rate of Return	<u>.072</u>
Total Annual Return	<u>86,361</u>
Adjust For Cost Report Period 183/365	43,299
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Rent and Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	43,299
Depreciation Expense	6,657
Amortization Expense	-
Capital Related Income Offsets	(385)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	49,571
Total Patient Days (Minimum 97% Occupancy)	<u>7,956</u>
Cost of Capital Per Diem	\$ <u><u>6.23</u></u>

**GOLDEN AGE - INMAN, INC.**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended September 30, 1994

For the Contract Periods October 1, 1995 through September 30, 1996

AC# 3-GAI-J4

6/30/89 Cost of Capital and Return on Equity	
Capital Per Diem Reimbursement	\$1.59
Adjustment for Maximum Increase	<u>3.99</u>
Maximum Cost of Capital Per Diem	\$ <u>5.58</u>
Reimbursable Cost of Capital Per Diem	\$5.58
Cost of Capital Per Diem	<u>6.23</u>
Cost of Capital Per Diem Limitation	\$( <u>.65</u> )